

104TH CONGRESS
2D SESSION

H. R. 3116

To provide for the phase-out of existing private sector development enterprise funds for foreign countries and to prohibit the establishment of, or the support for, new private sector development enterprise funds, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 19, 1996

Mr. TRAFICANT introduced the following bill; which was referred to the Committee on International Relations, and in addition to the Committee on Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide for the phase-out of existing private sector development enterprise funds for foreign countries and to prohibit the establishment of, or the support for, new private sector development enterprise funds, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. PHASE-OUT OF EXISTING PRIVATE SECTOR DE-**
4 **VELOPMENT ENTERPRISE FUNDS.**

5 (a) IN GENERAL.—Beginning 2 years after the date
6 of the enactment of this Act, none of the funds appro-

1 priated or otherwise available to the United States Agency
 2 for International Development may be obligated or ex-
 3 pended for assistance to the following enterprise funds (or
 4 any successor enterprise funds):

5 (1) The Albanian-American Enterprise Fund.

6 (2) The Baltic-American Enterprise Fund.

7 (3) The Bulgarian American Enterprise Fund.

8 (4) The Central Asian-American Enterprise
 9 Fund.

10 (5) The Czech and Slovak American Enterprise
 11 Fund.

12 (6) The Hungarian-American Enterprise Fund.

13 (7) The Polish-American Enterprise Fund.

14 (8) The Romanian American Enterprise Fund.

15 (9) The Southern Africa Regional Enterprise
 16 Fund.

17 (10) The U.S. Russia Investment Fund.

18 (11) The Western NIS Enterprise Fund.

19 (b) TRANSITION.—The President (acting through the
 20 Administrator of the United States Agency for Inter-
 21 national Development), in conjunction with the board of
 22 directors of each enterprise fund referred to in paragraphs
 23 (1) through (11) of subsection (a), shall, as soon as prac-
 24 ticable after the date of the enactment of this Act, take

1 the necessary steps to wind up the affairs of each such
2 enterprise fund.

3 (c) REPEALS.—

4 (1) EXISTING ENTERPRISE FUNDS.—(A) The
5 following provisions of law are hereby repealed:

6 (i) Subsection (c) of section 498B of the
7 Foreign Assistance Act of 1961 (22 U.S.C.
8 2295b(c)).

9 (ii) Section 201 of the Support for East
10 European Democracy (SEED) Act of 1989 (22
11 U.S.C. 5421).

12 (B) The repeals made by subparagraph (A)
13 shall take effect 2 years after the date of the enact-
14 ment of this Act.

15 (2) TRANS-CAUCASUS ENTERPRISE FUND.—
16 Subsection (t) under the heading “Assistance for the
17 New Independent States of the Former Soviet
18 Union” of the Foreign Operation, Export Financing,
19 and Related Programs Appropriations Act, 1996, is
20 hereby repealed.

21 **SEC. 2. PROHIBITION ON NEW PRIVATE SECTOR DEVELOP-**
22 **MENT ENTERPRISE FUNDS.**

23 (a) IN GENERAL.—Beginning on March 12, 1996,
24 the President may not provide for the establishment of,
25 or the support for, any enterprise fund for the purposes

1 of promoting private sector development, or promoting
 2 policies and practices conducive to private sector develop-
 3 ment, in any foreign country.

4 (b) DEFINITION.—For purposes of this section, the
 5 term “enterprise fund” means a private, nonprofit organi-
 6 zation designated by the President in accordance with pro-
 7 cedures applicable to the procedures used to designate en-
 8 terprise funds under section 201 of the Support for East
 9 European Democracy (SEED) Act of 1989 (22 U.S.C.
 10 5421).

11 **SEC. 3. PROHIBITION ON ASSISTANCE FOR EUROPEAN**
 12 **BANK FOR RECONSTRUCTION AND DEVELOP-**
 13 **MENT FUNDS AND OTHER INTERNATIONAL**
 14 **FINANCIAL INSTITUTION FUNDS.**

15 (a) PROHIBITION ON UNITED STATES ASSIST-
 16 ANCE.—Beginning 2 years after the date of the enactment
 17 of this Act, none of the funds appropriated or otherwise
 18 available to the United States Agency for International
 19 Development may be obligated or expended for assistance
 20 to any private sector development enterprise fund in which
 21 the European Bank for Reconstruction and Development
 22 (or any other international financial institution of which
 23 the United States is a member) participates, or which is
 24 financed by that Bank (or international financial institu-

1 tion), including the following enterprise funds (or any suc-
2 cessor enterprise funds):

3 (1) The Russia Small Business Fund.

4 (2) The Regional Venture Fund for the Lower
5 Volga Region.

6 (3) The Slovenia Development Capital Fund.

7 (b) OPPOSITION TO MULTILATERAL ASSISTANCE.—
8 The President shall instruct the United States Executive
9 Director of the European Bank for Reconstruction and
10 Development and any other international financial institu-
11 tion of which the United States is a member to use the
12 voice and vote of the United States to oppose the partici-
13 pation of that Bank or institution in, or financing by that
14 Bank or institution of, any private sector development en-
15 terprise fund, including any enterprise fund referred to in
16 paragraphs (1) through (3) of subsection (a).

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